

Before the
Federal Communications Commission
Washington, D.C. 20554

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In the Matter of)

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Implementation of Section 273 of)
the Communications Act of 1934, as amended)
by the Telecommunications Act of 1996)

CC Docket No. 96-254

MEMORANDUM OPINION AND ORDER**Adopted: September 8, 2003****Released: September 16, 2003**

By the Commission:

I. INTRODUCTION

1. In this Memorandum Opinion and Order, we resolve the pending Notice of Proposed Rulemaking¹ to implement provisions of section 273 of the Telecommunications Act of 1996 (the Act),² that pertain to manufacturing by the Bell Operating Companies (BOCs).³ We believe that the statute, as written, is sufficiently detailed as to be self-executing and sufficiently clear as to cover most circumstances at this time. Under these circumstances adopting rules to implement the provisions of section 273 would not serve the public interest and would impose unnecessary regulatory burdens inconsistent with the pro-competitive, deregulatory goals of the Act. Accordingly, for the reasons indicated below, we conclude that it is unnecessary for the Commission to adopt rules to implement section 273 at this juncture, and consequently, terminate this proceeding.

II. BACKGROUND

2. Under the AT&T Consent Decree (Consent Decree),⁴ the BOCs were prohibited from engaging in certain lines of business, including the manufacture of telecommunications

¹ *In the Matter of Implementation of Section 273 of the Communications Act of 1934, as Amended in the Telecommunications Act of 1996*, Notice of Proposed Rulemaking, CC Docket No. 96-254, 11 FCC Rcd 21784 (rel. Dec 11, 1996) (*BOC Manufacturing NPRM*).

² The Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 96 (1996) (codified at 47 U.S.C. §§ 151 *et seq*).

³ See 47 U.S.C. § 273. The text of section 273 is attached as an Appendix to this Order.

⁴ The "AT&T Consent Decree" is defined in the 1996 Act to mean "the order entered August 24, 1982, in the antitrust action styled *United States v. Western Electric*, Civil Action No. 82-0192, in the United States District Court for the District of Columbia, and includes any judgment or order with respect to such action entered on or after August 24, 1982." 47 U.S.C. § 153(3). See also *BOC Manufacturing NPRM*, 11 FCC Rcd at 21787, para. 3, n.8.

equipment and customer premises equipment (CPE).⁵ With the passage of the 1996 amendments to the Act, however, Congress provided the BOCs with a mechanism to remove the line of business restrictions once the BOCs had opened their local markets to competition. Specifically, with section 273 of the Act, Congress sought to facilitate BOC entry into the manufacturing business while preserving the robust competition that had developed in these markets.⁶

3. Section 273 permits a BOC to manufacture telecommunications equipment and CPE through a structurally separate corporate affiliate once the Commission authorizes the BOC to provide in-region, interLATA services pursuant to section 271(d) of the Act.⁷ Section 273 provides for two important exceptions to the requirement that a BOC refrain from all manufacturing activity until after it receives section 271 approval. First, section 273(b)(1) permits a BOC at any time to engage in "close collaboration" with manufacturers on product design and development.⁸ Second, section 273 (b)(2) permits a BOC at any time to enter into "royalty agreements" with manufacturers.⁹

4. The *BOC Manufacturing NPRM*, invited public comment on a broad list of issues and concerns, and proposed numerous tentative conclusions. Among other things, the *BOC Manufacturing NPRM* sought information on the following issues: the proper scope of section 273's prohibitions, particularly as regarded BOC "close collaboration" and royalty agreements with manufacturers;¹⁰ the applicability of existing rules, particularly the network change disclosure rules, to section 273;¹¹ definitions of key terms;¹² and the impact of the proposed sale of Bell Communications Research, Inc. (Bellcore).¹³ In a separate, earlier proceeding, the

⁵ "Customer premises equipment" means "equipment employed on the premises of a person (other than a carrier) to originate, route, or terminate telecommunications " 47 U.S.C. § 153(14); see also *BOC Manufacturing NPRM*, 11 FCC Rcd at 21790, para. 8, n.22.

⁶ 47 U.S.C. § 273(a); see also *BOC Manufacturing NPRM*, 11 FCC Rcd at 21788, para. 4.

⁷ *Id.* at §§ 272(a)(2)(A); 273(a).

⁸ *Id.* at § 273(b)(1).

⁹ *Id.* at §§ 273(b)(2); 47 U.S.C. 271(d) Section 273's remaining provisions set out, among other things, certain additional safeguards and nondiscrimination requirements applicable to BOC entry into manufacturing activities. Section 273(c) imposes certain information disclosure obligations on BOCs and authorizes the Commission to adopt implementing regulations. Section 273(d) concerns "Manufacturing Limitations for Standard-Setting Organizations," and requires open procedures when an unaccredited standard setting body attempts to influence the market by establishing a standard, section 273(e) governs BOC practices in procuring and selling telecommunications equipment, in section 273 (f), Congress granted the Commission "the same authority, power, and functions with respect to any [BOC] or any affiliate . . . as the Commission has in administering and enforcing" any other provision of the Act; and section 273(g) permits the Commission to prescribe such additional rules and regulations as the Commission determines are necessary." *BOC Manufacturing NPRM*, 11 FCC Rcd at 21822-824, paras. 75-78; 47 U.S.C. § 273(f)-(g).

¹⁰ See, e.g., *BOC Manufacturing NPRM*, 11 FCC Rcd at 21791-92, para. 11-12.

¹¹ See, e.g., *Id.* at 21800-801, para. 30; see also *Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, Second Report and Order and Memorandum Opinion and Order, FCC 96-333, at paras. 165-260

¹² See, e.g., *Id.* at 21802-803, 814, 819, paras. 34, 55, 68

¹³ Bellcore was a provider of applied research, engineering, software development and related services to the Regional Holding Companies (RHCs). Originally, the RHCs had jointly owned and controlled Bellcore. Bell Communications Research, Inc. Comments, at 2. In section 273(d) of the Act, Congress anticipated the sale of

(continued...)

Commission had adopted rules to implement section 273(d)(5), which requires the Commission to prescribe a default dispute resolution process when technical disputes arise between the non-accredited standards development organizations, such as Bellcore, and any party that funds the standards setting activities of the non-accredited standards development organization.¹⁴

5. The *BOC Manufacturing NPRM* generated comment from BOCs, competitive LECs, manufacturers, and others. Since the issuance of the *BOC Manufacturing NPRM*, each BOC has obtained section 271 authority to provide in-region interLATA service in at least one of its states, and Verizon and BellSouth have received section 271 authority throughout their regions. Yet to our knowledge, no BOC has created a manufacturing affiliate, nor has the Commission received complaints that BOCs have violated section 273.

III. DISCUSSION

6. We conclude that the provisions of section 273 are sufficiently detailed as to be self-executing and sufficiently clear as to cover most circumstances. Thus, section 273 requires no further elaboration at this time. The *BOC Manufacturing NPRM* reflected the Commission's legitimate concern in 1996 that competition in the manufacture of telecommunications equipment and CPE must be safeguarded, while the nascent competition for local exchange service should be facilitated by monitoring BOC conduct and precluding anticompetitive incentives. Given these unprecedented responsibilities, the Commission posed detailed questions and sought broad participation to develop a framework to carry out the goals of the new Act. However, more than seven years have passed since the passage of the Act, and the Commission has granted section 271 authorization to provide in-region interLATA service in forty-two states and the District of Columbia. Our experience over this time frame persuades us, with the benefit of hindsight, that the concerns the Commission articulated in the *BOC Manufacturing NPRM* were unwarranted because the competitive harms the Commission envisioned simply have not materialized.¹⁵

7. Although each BOC has obtained section 271 authority to provide in-region interLATA service in at least one of its in-region states, no BOC to date has sought a manufacturing affiliate under section 272 of the Act. Further, the Commission has received no complaints against a BOC regarding standard setting or manufacturing activity pursuant to

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Bellcore to Science Applications International Corporation (SAIC) and set forth restrictions on the manufacturing activity of Bellcore as long as it is an affiliate of more than one otherwise unaffiliated BOC. 47 U.S.C. 273(d). The RHCs sold Bellcore to SAIC, after which the name of the company was changed to Telcordia Technologies, Inc. See Letter from Louise L.M. Tucker, Bellcore, to Chmn. William Kennard, Commr. Michael Powell, Commr. Gloria Tristani, Commr. Harold Furchtgott-Roth, Commr. Susan Ness, A. Richard Metzger, Jr., and Geraldine Matise, Federal Communications Commission (Nov. 17, 1997).

¹⁴ See *In the Matter of Implementation of Section 273(d)(5) of the Communications Act of 1934, as Amended in the Telecommunications Act of 1996—Dispute Resolution Regarding Equipment Standards*, Memorandum Opinion & Order, CC Docket No. 96-254, 11 FCC Rcd 12955 (rel. May 7, 1996) (*Section 273 Dispute Resolution Order*).

¹⁵ See, e.g., *BOC Manufacturing NPRM* 11 FCC Rcd at 21786, para. 2 (“[B]y favoring its own manufacturing affiliate with preferential network information and inequitable procurement processes, the monopolist could place unaffiliated manufacturers at a competitive disadvantage so as to further increase its manufacturing affiliates’ profits.”); see also *In The Matter Of Application By Bell Atlantic New York For Authorization Under Section 271 Of The Communications Act To Provide In-Region, Interlata Service In The State Of New York*, Memorandum Opinion and Order, CC Docket No. 99-295, 15 FCC Rcd 3953 (rel. Dec. 22, 1999).

section 273, nor do we know of any BOC activity that would otherwise implicate a section 273 violation arising from BOC royalty agreements or BOC "close collaboration" with manufacturers. In view of these facts, we see no need to formulate and impose Commission rules when the general concerns and issues raised by the *BOC Manufacturing NPRM* have not occurred.

8. Moreover, whenever the Commission adopts rules, it must consider whether the benefit of such rules outweighs the burden on regulated entities. Although sections 273(g) and (f) specifically grant the Commission authority to implement any necessary rules, they do not require us to do so. As written, section 273 provides detailed requirements that should facilitate quick review and disposal of alleged violations on a case-by-case basis.¹⁶ Moreover, if a party believes that section 273 does not clearly indicate the proper course of conduct, the Commission has in place adequate mechanisms for addressing the party's concerns. For example, the complainant may seek a declaratory ruling or an enforcement action from the Commission. The complainant also may seek redress under the rules promulgated in the *Section 273 Dispute Resolution Order*.¹⁷ Thus, there is only, at most, a slight benefit in enacting specific regulations. By contrast, we expect carriers would incur not insignificant costs in complying with such regulations. Accordingly, we believe a case-by-case approach would serve the public interest more efficiently than imposing a new rules regime. Therefore, in the absence of a compelling need to adopt regulations, we decline to do so. Should circumstances change such that parties believe the Commission must adopt rules to implement section 273, a party may file a petition for rulemaking.¹⁸

IV. REGULATORY FLEXIBILITY ACT

9. We conclude that, because we do not adopt rules in this Memorandum Opinion & Order to implement section 273, our resolution of this matter raises no Regulatory Flexibility Act issues.¹⁹ Although section 273 focuses primarily on BOC manufacturing activity, in the *BOC Manufacturing NPRM* the Commission questioned whether development of rules would "have a significant economic impact on a substantial number of small businesses insofar as they apply to entities that develop standards, develop generic requirements and conduct certification activity."²⁰ However, in this Memorandum Opinion & Order, we neither promulgate new rules nor revise existing rules, and thus the action does not require any change in the current practices of any standard setting entities, large or small. Accordingly, because we implement no rules, we take no action that would require entities to modify their practices. Thus, we find that the action will not have a "significant economic impact on a substantial number of small entities."²¹

¹⁶ We also note that in addition to our rules, BOCs must obey the antitrust laws' prohibitions against discriminatory treatment through standard-setting. See, e.g., *Allied Tube & Conduct Corp. v. Indian Head, Inc.*, 486 U.S. 492 (1988) (Supreme Court upheld the Sherman Act section 1 liability of a member of a fire safety association for influencing the association to adopt a biased safety code to benefit its product and disfavor competing products).

¹⁷ See *Section 273 Dispute Resolution Order*, 11 FCC Rcd 12955.

¹⁸ 47 C.F.R. §§ 0.91(b); 1.401; 1.429.

¹⁹ See 47 U.S.C. § 601, 604. The Regulatory Flexibility Act has been amended by the Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA), Pub. L. No. 104-121, Title II, 110 Stat. 857 (1996).

²⁰ *BOC Manufacturing NPRM*, Appendix A, 11 FCC Rcd at 21828, para. 5.

²¹ See 5 U.S.C. § 601, 603 (as amended by SBREFA).

V. PAPERWORK REDUCTION ACT OF 1995

10. We find that this Memorandum Opinion and Order does not contain information collection provisions and therefore does not implicate the Paperwork Reduction Act of 1995.

VI. CONCLUSION

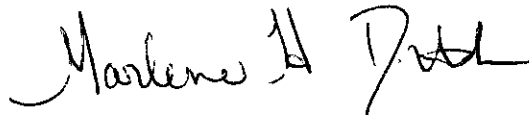
11. We conclude that there is no need to impose Commission rules at this juncture. With the benefit of hindsight, we have determined that section 273 is sufficiently clear as to be self-executing and sufficiently detailed as to cover most situations. Accordingly, we terminate this proceeding in view of our finding that further rules to implement section 273 are not necessary at this time.

VII. ORDERING CLAUSES

12. Accordingly, IT IS ORDERED that pursuant to sections 1, 3, 4(i)-(j), 7, 201-209, 218-220, 251, 271-273 and 403 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151, 153, 154(i)-(j), 157, 201-209, 218-220, 251, 271-273, and 403 that this Memorandum Opinion and Order IS ADOPTED.

13. The Commission has thus completed its review of the record in the above-captioned rulemaking. Accordingly, IT IS ORDERED, that the above-captioned proceeding IS TERMINATED.

FEDERAL COMMUNICATIONS COMMISSION



Marlene H. Dortch
Secretary

Appendix A**47 U.S.C. § 273. Manufacturing by Bell operating companies****(a) Authorization**

A Bell operating company may manufacture and provide telecommunications equipment, and manufacture customer premises equipment, if the Commission authorizes that Bell operating company or any Bell operating company affiliate to provide interLATA services under section 271(d) of this title, subject to the requirements of this section and the regulations prescribed thereunder, except that neither a Bell operating company nor any of its affiliates may engage in such manufacturing in conjunction with a Bell operating company not so affiliated or any of its affiliates.

(b) Collaboration; research and royalty agreements**(1) Collaboration**

Subsection (a) of this section shall not prohibit a Bell operating company from engaging in close collaboration with any manufacturer of customer premises equipment or telecommunications equipment during the design and development of hardware, software, or combinations thereof related to such equipment.

(2) Certain research arrangements; royalty agreements

Subsection (a) of this section shall not prohibit a Bell operating company from--

(A) engaging in research activities related to manufacturing, and

(B) entering into royalty agreements with manufacturers of telecommunications equipment.

(c) Information requirements**(1) Information on protocols and technical requirements**

Each Bell operating company shall, in accordance with regulations prescribed by the Commission, maintain and file with the Commission full and complete information with respect to the protocols and technical requirements for connection with and use of its telephone exchange service facilities. Each such company shall report promptly to the Commission any material changes or planned changes to such protocols and requirements, and the schedule for implementation of such changes or planned changes.

(2) Disclosure of information

A Bell operating company shall not disclose any information required to be filed under paragraph (1) unless that information has been filed promptly, as required by regulation by the Commission.

(3) Access by competitors to information

The Commission may prescribe such additional regulations under this subsection as may be necessary to ensure that manufacturers have access to the information with respect to the protocols and technical requirements for connection with and use of telephone exchange service facilities that a Bell operating company makes available to any manufacturing affiliate or any unaffiliated manufacturer.

(4) Planning information

Each Bell operating company shall provide, to interconnecting carriers providing telephone exchange service, timely information on the planned deployment of telecommunications equipment.

(d) Manufacturing limitations for standard-setting organizations

(1) Application to Bell Communications Research or manufacturers

Bell Communications Research, Inc., or any successor entity or affiliate--

(A) shall not be considered a Bell operating company or a successor or assign of a Bell operating company at such time as it is no longer an affiliate of any Bell operating company; and

(B) notwithstanding paragraph (3), shall not engage in manufacturing telecommunications equipment or customer premises equipment as long as it is an affiliate of more than 1 otherwise unaffiliated Bell operating company or successor or assign of any such company.

Nothing in this subsection prohibits Bell Communications Research, Inc., or any successor entity, from engaging in any activity in which it is lawfully engaged on February 8, 1996. Nothing provided in this subsection shall render Bell Communications Research, Inc., or any successor entity, a common carrier under this subchapter. Nothing in this subsection restricts any manufacturer from engaging in any activity in which it is lawfully engaged on February 8, 1996.

(2) Proprietary information

Any entity which establishes standards for telecommunications equipment or customer premises equipment, or generic network requirements for such equipment, or certifies telecommunications equipment or customer premises equipment, shall be prohibited from releasing or otherwise using any proprietary information, designated as such by its owner, in its possession as a result of such activity, for any purpose other than purposes authorized in writing by the owner of such information, even after such entity ceases to be so engaged.

(3) Manufacturing safeguards

(A) Except as prohibited in paragraph (1), and subject to paragraph (6), any entity which certifies telecommunications equipment or customer premises equipment manufactured by an unaffiliated entity shall only manufacture a particular class of telecommunications equipment or customer premises equipment for which it is undertaking or has undertaken, during the previous 18 months, certification activity for such class of equipment through a separate affiliate.

(B) Such separate affiliate shall--

- (i) maintain books, records, and accounts separate from those of the entity that certifies such equipment, consistent with generally acceptable accounting principles;
- (ii) not engage in any joint manufacturing activities with such entity; and
- (iii) have segregated facilities and separate employees with such entity.

(C) Such entity that certifies such equipment shall--

- (i) not discriminate in favor of its manufacturing affiliate in the establishment of standards, generic requirements, or product certification;
- (ii) not disclose to the manufacturing affiliate any proprietary information that has been received at any time from an unaffiliated manufacturer, unless authorized in writing by the owner of the

information; and

(iii) not permit any employee engaged in product certification for telecommunications equipment or customer premises equipment to engage jointly in sales or marketing of any such equipment with the affiliated manufacturer.

(4) Standard-setting entities

Any entity that is not an accredited standards development organization and that establishes industry-wide standards for telecommunications equipment or customer premises equipment, or industry-wide generic network requirements for such equipment, or that certifies telecommunications equipment or customer premises equipment manufactured by an unaffiliated entity, shall--

(A) establish and publish any industry-wide standard for, industry-wide generic requirement for, or any substantial modification of an existing industry-wide standard or industry-wide generic requirement for, telecommunications equipment or customer premises equipment only in compliance with the following procedure--

(i) such entity shall issue a public notice of its consideration of a proposed industry-wide standard or industry-wide generic requirement;

(ii) such entity shall issue a public invitation to interested industry parties to fund and participate in such efforts on a reasonable and nondiscriminatory basis, administered in such a manner as not to unreasonably exclude any interested industry party;

(iii) such entity shall publish a text for comment by such parties as have agreed to participate in the process pursuant to clause (ii), provide such parties a full opportunity to submit comments, and respond to comments from such parties;

(iv) such entity shall publish a final text of the industry-wide standard or industry-wide generic requirement, including the comments in their entirety, of any funding party which requests to have its comments so published; and

(v) such entity shall attempt, prior to publishing a text for comment, to agree with the funding parties as a group on a mutually satisfactory dispute resolution process which such parties shall utilize as their sole recourse in the event of a dispute on technical issues as to which there is disagreement between any funding party and the entity conducting such activities, except that if no dispute resolution process is agreed to by all the parties, a funding party may utilize the dispute resolution procedures established pursuant to paragraph (5) of this subsection;

(B) engage in product certification for telecommunications equipment or customer premises equipment manufactured by unaffiliated entities only if--

(i) such activity is performed pursuant to published criteria;

(ii) such activity is performed pursuant to auditable criteria; and

(iii) such activity is performed pursuant to available industry-accepted testing methods and standards, where applicable, unless otherwise agreed upon by the parties funding and performing such activity;

(C) not undertake any actions to monopolize or attempt to monopolize the market for such services; and

(D) not preferentially treat its own telecommunications equipment or customer premises equipment, or that of its affiliate, over that of any other entity in establishing and publishing industry-wide standards or industry-wide generic requirements for, and in certification of, telecommunications equipment and customer premises equipment.

(5) Alternate dispute resolution

Within 90 days after February 8, 1996, the Commission shall prescribe a dispute resolution process to be utilized in the event that a dispute resolution process is not agreed upon by all the parties when establishing and publishing any industry-wide standard or industry-wide generic requirement for telecommunications equipment or customer premises equipment, pursuant to paragraph (4)(A)(v). The Commission shall not establish itself as a party to the dispute resolution process. Such dispute resolution process shall permit any funding party to resolve a dispute with the entity conducting the activity that significantly affects such funding party's interests, in an open, nondiscriminatory, and unbiased fashion, within 30 days after the filing of such dispute. Such disputes may be filed within 15 days after the date the funding party receives a response to its comments from the entity conducting the activity. The Commission shall establish penalties to be assessed for delays caused by referral of frivolous disputes to the dispute resolution process.

(6) Sunset

The requirements of paragraphs (3) and (4) shall terminate for the particular relevant activity when the Commission determines that there are alternative sources of industry-wide standards, industry-wide generic requirements, or product certification for a particular class of telecommunications equipment or customer premises equipment available in the United States. Alternative sources shall be deemed to exist when such sources provide commercially viable alternatives that are providing such services to customers. The Commission shall act on any application for such a determination within 90 days after receipt of such application, and shall receive public comment on such application.

(7) Administration and enforcement authority

For the purposes of administering this subsection and the regulations prescribed thereunder, the Commission shall have the same remedial authority as the Commission has in administering and enforcing the provisions of this subchapter with respect to any common carrier subject to this chapter.

(8) Definitions

For purposes of this subsection:

(A) The term "affiliate" shall have the same meaning as in section 153 of this title, except that, for purposes of paragraph (1)(B)--

(i) an aggregate voting equity interest in Bell Communications Research, Inc., of at least 5 percent of its total voting equity, owned directly or indirectly by more than 1 otherwise unaffiliated Bell operating company, shall constitute an affiliate relationship; and

(ii) a voting equity interest in Bell Communications Research, Inc., by any otherwise unaffiliated Bell operating company of less than 1 percent of Bell Communications Research's total voting equity shall not be considered to be an equity interest under this paragraph.

(B) The term "generic requirement" means a description of acceptable product attributes for use by local exchange carriers in establishing product specifications for the purchase of telecommunications equipment, customer premises equipment, and software integral thereto.

(C) The term "industry-wide" means activities funded by or performed on behalf of local exchange carriers for use in providing wireline telephone exchange service whose combined total of deployed access lines in the United States constitutes at least 30 percent of all access lines deployed by telecommunications carriers in the United States as of February 8, 1996.

(D) The term "certification" means any technical process whereby a party determines whether a product, for use by more than one local exchange carrier, conforms with the specified requirements

pertaining to such product.

(E) The term "accredited standards development organization" means an entity composed of industry members which has been accredited by an institution vested with the responsibility for standards accreditation by the industry.

(e) Bell operating company equipment procurement and sales

(1) Nondiscrimination standards for manufacturing

In the procurement or awarding of supply contracts for telecommunications equipment, a Bell operating company, or any entity acting on its behalf, for the duration of the requirement for a separate subsidiary including manufacturing under this chapter--

(A) shall consider such equipment, produced or supplied by unrelated persons; and

(B) may not discriminate in favor of equipment produced or supplied by an affiliate or related person.

(2) Procurement standards

Each Bell operating company or any entity acting on its behalf shall make procurement decisions and award all supply contracts for equipment, services, and software on the basis of an objective assessment of price, quality, delivery, and other commercial factors.

(3) Network planning and design

A Bell operating company shall, to the extent consistent with the antitrust laws, engage in joint network planning and design with local exchange carriers operating in the same area of interest. No participant in such planning shall be allowed to delay the introduction of new technology or the deployment of facilities to provide telecommunications services, and agreement with such other carriers shall not be required as a prerequisite for such introduction or deployment.

(4) Sales restrictions

Neither a Bell operating company engaged in manufacturing nor a manufacturing affiliate of such a company shall restrict sales to any local exchange carrier of telecommunications equipment, including software integral to the operation of such equipment and related upgrades.

(5) Protection of proprietary information

A Bell operating company and any entity it owns or otherwise controls shall protect the proprietary information submitted for procurement decisions from release not specifically authorized by the owner of such information.

(f) Administration and enforcement authority

For the purposes of administering and enforcing the provisions of this section and the regulations prescribed thereunder, the Commission shall have the same authority, power, and functions with respect to any Bell operating company or any affiliate thereof as the Commission has in administering and enforcing the provisions of this subchapter with respect to any common carrier subject to this chapter.

(g) Additional rules and regulations

The Commission may prescribe such additional rules and regulations as the Commission determines are necessary to carry out the provisions of this section, and otherwise to prevent discrimination and cross-subsidization in a Bell operating company's dealings with its affiliate and with third parties.

(h) "Manufacturing" defined

As used in this section, the term "manufacturing" has the same meaning as such term has under the AT&T Consent Decree.